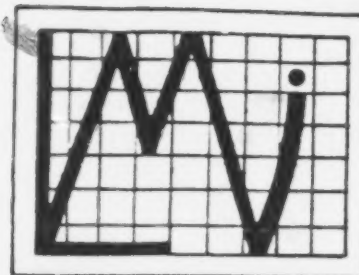


METROPOLITAN WASHINGTON, D.C.



AREA LABOR SUMMARY

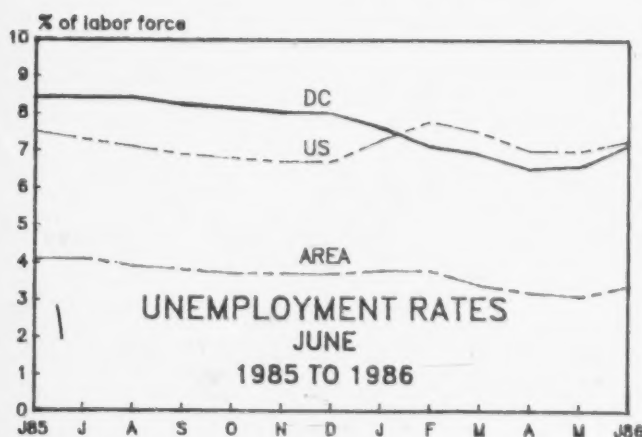
A LABOR MARKET INFORMATION PUBLICATION OF THE PROGRAM PLANNING, RESEARCH AND ANALYSIS STAFF
Prepared by the Division of Labor Market Information, Research and Analysis

DATA FOR JUNE

AUGUST 22, 1986

Seasonal Influx of Workers Pushes DC Unemployment to 7.2%

Jobs Set Record for 5th Month in a Row



month was due, in part, to the inability of largely seasonal workers to find employment in June. Between May, 1986 and June, 1986, the number of District residents without jobs increased from 21,400 to 23,500. The slight and unexpected drop in resident employment also contributed to the rise in the City's rate over the month. Since 1970, the change in City resident employment between May and June has been positive. Between May and June, 1986, the number of District residents with jobs fell from 300,800 to 300,500. Nationally, the civilian unadjusted unemployment rate increased from 7.0 percent in May, 1986 to 7.3 percent in June, 1986.

THE DISTRICT'S LABOR FORCE

As expected, the District's unemployment rate increased between May, 1986 and June, 1986 from 6.6 percent to 7.2 percent. Over the past 12 years, the District's unemployment rate between May and June has increased at an average of 0.6 percentage point--the same as this year. The rise in the rate over the

Since June, 1985, the District's jobless

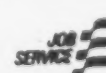
Job Service . . .

• Labor Market Information



Government of the
District of Columbia
Marion Barry, Jr. Mayor

Department of
Employment Services
Floyd S. Goff
Acting Director



Department of
Employment Services

CES

A KEY MONTHLY
INDICATOR OF
CHANGES IN
THE ECONOMY



EMPLOYMENT STATUS FOR THE CIVILIAN POPULATION DISTRICT OF COLUMBIA, WASHINGTON, D.C. MSA, AND THE SUBURBAN RING June 1986 a/

	June b/	May c/	June	May	Net Change From	
					May	June
	1986	1986	1985	1985	1986	1985
WASHINGTON, D.C.						
Civilian Labor Force	323,900	322,300	319,700	315,600	1,600	4,200
Total Employed	300,500	300,800	292,900	289,600	-300	7,600
Total Unemployed	23,500	21,400	26,700	26,000	2,100	-3,200
Unemployment Rate d/	7.2	6.6	8.4	8.2	0.6	-1.2
WASHINGTON, D.C. MSA						
Civilian Labor Force	2,065,600	2,036,400	1,981,700	1,952,500	29,200	83,900
Total Employed	1,995,700	1,973,300	1,901,200	1,876,600	22,400	94,500
Total Unemployed	69,900	63,200	80,500	75,900	6,700	-10,600
Unemployment Rate d/	3.4	3.1	4.1	3.9	0.3	-0.7
SUBURBAN RING						
Civilian Labor Force	1,741,700	1,714,000	1,662,000	1,636,900	27,500	79,700
Total Employed	1,695,200	1,672,400	1,608,200	1,587,000	22,800	87,000
Total Unemployed	46,400	41,700	53,800	49,800	4,700	-7,400
Unemployment Rate d/	2.7	2.4	3.2	3.0	0.3	-0.5

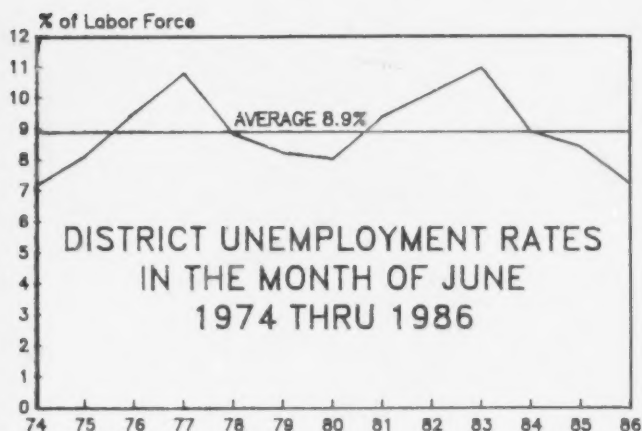
a/ Detail may not add to totals due to independent rounding.

b/ Preliminary.

c/ Revised.

d/ Seasonally unadjusted.

Estimated Labor Force and Employment for the Washington Metropolitan Area includes the District of Columbia; the Virginia cities of Alexandria, Fairfax, Falls Church, Manassas and Manassas Park; Fairfax, Arlington, Prince William, Loudoun, and Stafford Counties in Virginia; Montgomery, Prince Georges, Charles, Frederick, and Calvert Counties in Maryland.



rate has fallen 1.2 percentage points. Strong gains in employment, coupled with a sharp drop in joblessness, has contributed to the improved employment situation of District residents. In June, 1985, 292,900 District residents had jobs; by June, 1986, 300,500 District residents were employed. [Over the past four years, June, 1982 to June, 1986, residents employment has increased by 25,900.] Total joblessness dropped from 26,700 in June, 1985 to 23,500 in June, 1986--representing a 13.6 percent drop in total joblessness over the year. [Since reaching an all-time June high of 35,500 in 1983, the number of unemployed City residents has declined by more than one-third (34.3 percent).] As a result of the significant improvement in the employment situation of District residents over the last few years, the City's jobless rate is the lowest it's been in twelve years when the rate was 7.1 percent in June, 1974. Nationally, the civilian unadjusted jobless rate declined from 7.5 percent in June, 1985 to 7.3 percent in June, 1986.

THE AREA AND SUBURBAN LABOR FORCES

Like the Nation and the District, the seasonally unadjusted unemployment rate usually rises between May and June in the Washington, D.C. MSA. With the

entry of primarily seasonal workers into the labor force in June, 1986, the Area rate rose from 3.1 percent in May to 3.4 percent in June. The Suburban rate rose from 2.4 percent in May to 2.7 percent in June. In both the Area and Suburbs, the rate of growth in the number of people looking for jobs out paced the growth rate in employment. Between May and June, Area resident employment increased by 1.1 percent, from 1,973,300 to 1,995,700; while total unemployment among Area residents increased by 10.6 percent, from 63,200 to 69,900. In the Suburbs, resident employment increased by 1.4 percent over the month, from 1,672,400 to 1,695,200; while total unemployment increased by 11.3 percent, from 41,700 to 46,400.

The employment situation of Area and Suburban residents showed moderate improvement over the year. Since June, 1985, the Area unemployment rate fell from 4.1 percent to 3.4 percent. The Suburban jobless rate fell from 3.2 percent to 2.7 percent over the same

AFFIRMATIVE ACTION

PLANNING GUIDE

Labor market information is essential in preparing affirmative action plans. As a service to employers, the Department provides labor force statistics. An update version of the Planning Guide is now available.

Call or write:

Department of Employment Services
Labor Market Information Division
500 C Street N.W. (Suite 201)
Washington, D.C. 20001
(202) 639-1639

OR

The D.C. Occupational Information Coordinating Committee
500 C Street N.W. (Suite 205)
Washington, D.C. 20001
(202) 639-1083



period. A healthy and growing economy has contributed to the overall decline in Area and Suburban jobless rates. Between June, 1985 and June, 1986, the Area economy produced 77,200 additional jobs, providing job opportunities for 94,500 additional Area residents and 87,000 additional Suburban residents. As employment opportunities increased over the year, the number of Area and Suburban residents without jobs fell. In June, 1986 there were 10,600 fewer unemployed Area residents than in the previous year. Similarly, the number of jobless Suburban residents fell by 7,400 over the year.

**Unemployment Rates in the Washington D.C., MSA
by City and County**

JUNE, 1986

	June <u>a/</u> 1986	May. <u>b/</u> 1986	June 1985
Washington, D.C.	7.2	6.6	8.4
Alexandria City	3.3	3.6	5.6
Fairfax City	3.1	2.8	5.5
Falls Church City	3.4	4.1	6.1
Manassas City	2.2	2.1	3.1
Manassas Park City	2.1	1.9	2.8
Arlington County	2.7	2.7	4.2
Fairfax County	2.5	2.4	3.3
Prince William County	2.2	2.1	2.8
Loudoun County	2.1	2.1	2.9
Stafford County	2.1	2.1	3.0
Montgomery County	2.4	2.0	2.5
Prince Georges County	3.2	2.7	3.4
Frederick County	2.7	2.5	2.7
Calvert County	3.0	2.8	3.9
Charles County	2.4	2.1	2.8

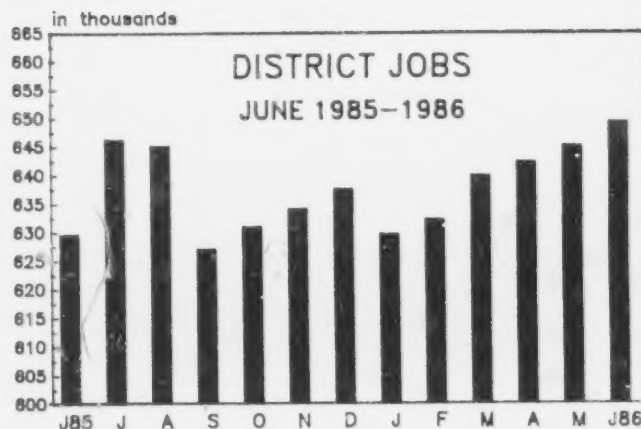
a/ Preliminary
b/ Revised

SOURCE: Department of Employment Services,
Maryland Department of Employment
and Training, and the Virginia
Employment Commission.

JOB GROWTH IN THE DISTRICT OF COLUMBIA

☆☆☆☆

In June, the number of jobs in the District totalled 649,200--4,200 more than in May and 19,600 more than at the same time last year. The increase



occurred primarily in the public sector, where the Federal Government (3,300 new jobs) accounted for seventy-nine percent of the June growth, representing their annual summer expansion. In the private sector, the Services industry led the over-the-month increase with 1,900 new jobs. Within Services, the leading component was Legal Services with 1,500 additional jobs. Construction followed with 800 new jobs, while Fire, Insurance, and Real Estate contributed 400 new jobs. Transportation, Communications and Public Utilities experienced a loss of 1,300 jobs--due to the strikes at the American Telephone and Telegraph Company and the Washington Gas Light Company.

Over the past year (June, 1985 to June, 1986), the Services industry (11,200 new jobs) accounted for more than half of the over-the-year job growth in the City. With the exception of Personal Services, which remained unchanged, all Services sectors showed some over-the-year gain, with Business Services (3,300 new jobs) being the major contributor. In the Trade industry, Retail Trade accounted for the total growth. In the public sector Federal employment rose by 6,200 over the year, while the District Government employment increased by 1,800 and Local Government employment decreased by a mere 100.

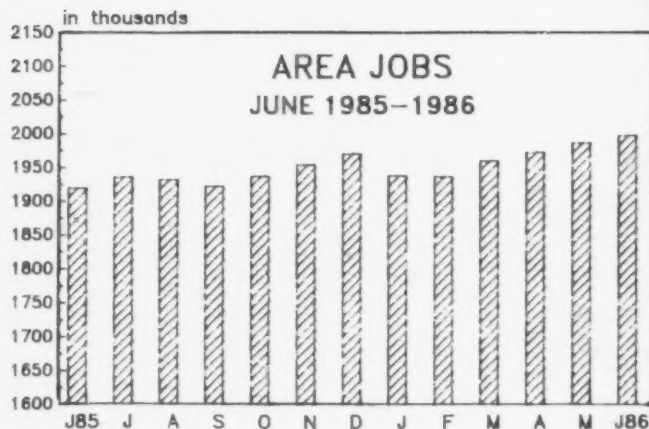
JOB GROWTH IN THE SUBURBS

In June, the Suburban job count was 1,347,300--some 6,200 above May and a 57,600 above June of last year. The private sector added 7,300 jobs over the month, while seasonal factors caused State and Local Government employment to fall (-2,400 jobs). The Suburban Services industry accounted for ninety-two percent of the private sector growth with 6,700 new jobs. Construction had 2,000 additional jobs due to seasonal hiring and more business in special trade contractors, especially in Maryland. Finance, Insurance, and Real Estate expanded with 1,800 new jobs followed by Wholesale/Retail Trade with 1,300 new jobs and Manufacturing with 200 new jobs. Transportation, Communications, and Public Utilities decreased by 5,000, due to the strike at AT&T and the Washington Gas Light Company.

Over the past year (June, 1985 to June, 1986), the Services industry (19,900 new jobs) has generated over a third of the Suburban job growth. The Trade industry increased by 17,700 with Retail Trade (14,600 new jobs) accounting for eighty-two percent of Trade growth. All industries contributed significantly over the year except Transportation, Communications, and Public Utilities (-2,700 jobs). Suburban Federal employment was the only major Suburban segment recording an over-the-year decline of 1,900 jobs.

JOB GROWTH IN THE METROPOLITAN AREA

With both the District and the Suburbs adding jobs in June, Washington Area employment climbed to 1,996,500 jobs--10,400 more than May and 77,200 more than June, 1985. As expected, the over-the-month industry leader was the Services industry, adding 8,600 jobs followed by Construction (2,800 jobs); Finance, Insurance, and Real Estate and total Government both added 2,200 new jobs; and Wholesale/Retail Trade added 500 new jobs. State and Local Govern-



ment declined by 2,500, jobs, due largely to seasonal factors.

Over the past year, Services industry employment increased by 31,100. Retail Trade (15,200 jobs) accounted for eighty-three percent of total Trade (18,400 jobs) growth. Overall, the number of private sector jobs increased by 64,100. Public sector jobs in the Area rose by 13,100 over the year--8,700 in the State and Local sector and 4,300 in the Federal sector.

AREA JOBS STILL EXPANDING, BUT AT A MUCH SLOWER RATE

LMIR has examined the progress of job creation in the Area, the Suburbs and the District by measuring the year-to-year relative change for each of the past 18 months (January 1985 to June 1986).

Jobs in the Washington Area are still being created at a reasonably healthy rate, but that rate has slowed significantly. For the area as a whole, the average monthly year-to-year change has been 5.6 percent, but the rate of change has fallen from a high of 6.7 percent in January of 1985 to a

WAGE AND SALARY EMPLOYMENT BY INDUSTRY AND PLACE OF WORK a/
(in thousands)

INDUSTRY	DISTRICT OF COLUMBIA			METROPOLITAN AREA		
	June <u>b/</u>	May <u>c/</u>	June	June <u>b/</u>	May <u>c/</u>	June
	1986	1986	1985	1986	1986	1985
TOTAL	649.2	645.0	629.6	1,996.5	1,986.1	1,919.3
Total Private Sector	377.6	376.7	366.0	1,424.0	1,415.8	1,359.9
Manufacturing	15.3	15.3	15.0	83.3	83.1	82.2
Total Durables	N/A	N/A	N/A	40.5	40.5	40.2
Stone, Clay, Glass, and Concrete Products	N/A	N/A	N/A	3.5	3.5	3.1
Electrical & Electronic Machinery, Equip., & Supp.	N/A	N/A	N/A	22.0	22.2	22.3
All Other Durables	N/A	N/A	N/A	15.0	14.9	14.8
Total Non-Durables	N/A	N/A	N/A	42.8	42.6	42.0
Food & Kindred Products	N/A	N/A	N/A	5.5	5.4	5.5
Printing & Publishing	12.0	12.0	11.8	30.8	30.8	30.1
All Other Non-Durables	N/A	N/A	N/A	6.5	6.4	6.4
All Other Manufacturing	3.3	3.2	3.2	N/A	N/A	N/A
Mining	0.1	0.1	0.1	1.3	1.3	1.3
Construction	14.9	14.1	13.0	124.6	121.8	112.4
Transportation, Communications & Public Utilities	23.3	24.6	26.0	82.8	89.1	88.2
Railroad	N/A	N/A	N/A	4.8	4.8	5.0
Transportation ex. Railroad	N/A	N/A	N/A	38.8	38.2	36.8
All Transportation	8.8	8.8	9.2	N/A	N/A	N/A
Communication & Public Utilities	14.5	15.8	16.8	39.1	46.1	46.3
Trade	64.7	65.5	64.0	398.6	398.1	380.2
Wholesale	9.3	9.2	9.3	74.0	74.0	71.0
Retail	55.3	56.3	54.7	324.7	324.1	309.5
General Merchandise	4.8	4.8	5.3	38.4	38.7	37.4
Food	N/A	N/A	N/A	43.0	43.3	40.6
Automotive	N/A	N/A	N/A	36.6	36.1	34.4
Apparel & Accessories	N/A	N/A	N/A	23.0	22.8	22.3
Eating and Drinking Places	27.8	28.8	27.2	109.5	109.2	104.3
All Other Retail	22.7	22.7	22.2	74.1	74.0	70.5
Finance, Insurance, & Real Estate	35.0	34.6	34.7	115.0	112.8	108.1
Banking	7.1	7.1	7.1	21.2	21.1	20.8
All Other	27.8	27.5	27.6	93.8	91.7	87.5
Services	224.4	222.5	213.2	618.4	609.8	587.3
Hotels & Other Lodging	14.0	14.4	12.6	31.5	31.6	29.4
Personal Services	4.0	3.9	4.0	23.2	23.1	22.4
Business Services	48.7	47.4	45.4	N/A	N/A	N/A
Health Services	30.5	30.4	29.8	N/A	N/A	N/A
Legal Services	23.7	22.2	21.6	N/A	N/A	N/A
Membership Organizations	30.6	30.7	29.5	N/A	N/A	N/A
All Other Services	73.0	73.5	70.3	563.7	555.1	535.6
Government	271.5	268.3	263.6	572.5	570.3	559.1
Federal Government	220.4	217.1	214.2	368.0	363.2	363.1
State & Local Government	N/A	N/A	N/A	204.5	207.0	195.0
D.C. Government	46.3	46.1	44.5	N/A	N/A	N/A
Local Government	4.8	5.1	4.9	N/A	N/A	N/A

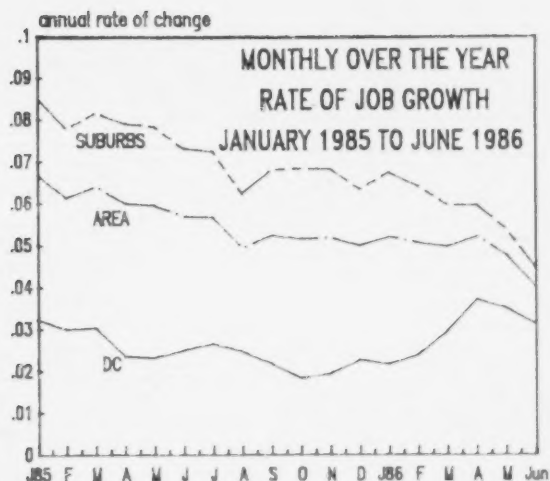
CES

**A KEY MONTHLY
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a/ Detail may not add to totals due to independent rounding.
b/ Preliminary.
c/ Revised.

Data includes all full- and part-time employees who worked during or received pay for any part of the pay period which includes the 12th of the month. Proprietors, self-employed, unpaid family workers, and private household workers are excluded.

SOURCE: Prepared by the Department of Employment Services, Division of Labor Market Information, Research and Analysis in cooperation with the Virginia Employment Commission, Maryland Department of Employment and Training, and the U.S., Bureau of Labor Statistics.



low of 4.0 percent in June of this year. Similarly suburban job expansion is also similarly slowing. The decline in the suburban job growth rate has ranged from a high of 8.5 percent in January of 1985 to 4.5 percent this June. The 18 month suburban average was 6.8 percent. Thus, both the Area and its suburbs are now creating jobs at rates below their 18 months average.

Only in the District is the economy currently producing jobs at a rate greater than the 18 month average. Over this period, District job creation has averaged 2.6 percent. In June, the over-the-year rate was 3.1 percent. In fact, D.C. rates for the whole period have been much higher than its long term job growth rate of 1.1.

Problems, however, have appeared on the horizon. In April of this year, the over-the-year growth rates in all three jurisdictions turned sharply down. This could signal future problems for the labor market, and the economy in general, if this recent trend persists for the rest of the year. The longer term falling-off of job growth rates probably signifies a growing community resistance to the very rapid growth, a serious labor shortage in the suburbs, and an increased clauing of the

regional transportation system during the daily commute. It is not surprising that the extra-ordinary rapid suburban job growth of the recent past has not been sustained, especially in light of a very sluggish national economy.

**PROFILE OF JOB GROWTH RATES
JANUARY 1985 TO JUNE 1986**

	AVERAGE	HIGH	LOW
AREA	5.6	6.7 Jan. '85	4.0 June '86
SUBURBS	6.8	8.5 Jan. '85	4.5 June '86
DISTRICT	2.6	3.7 Apr. '86	1.8 Oct. '85



"Helping People Help Themselves"

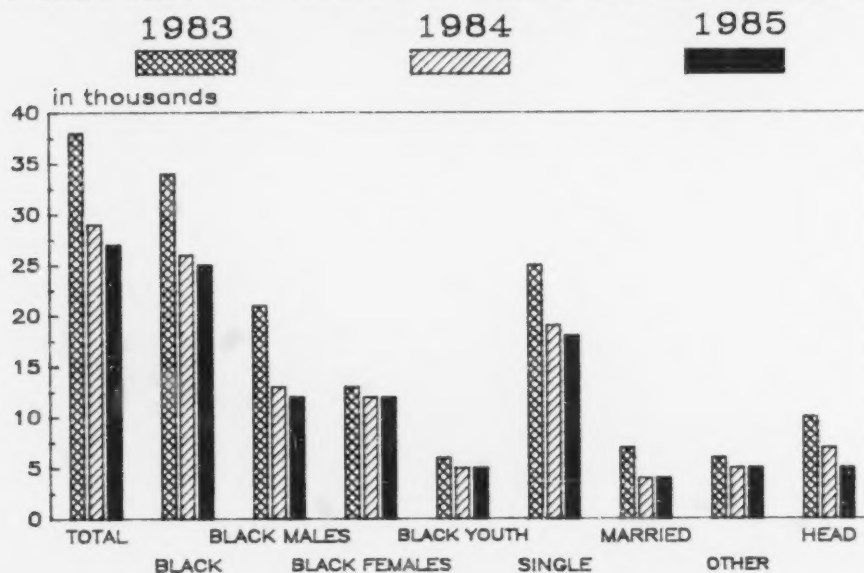
WILLARD HOTEL

The Department has announced an agreement with the Inter-Continental Hotel Corporation to fill over 300 staff positions at the newly renovated Willard Hotel, marking another major step by the City to help District residents obtain employment. Closed since July, 1968, the hotel is undergoing extensive renovations and is scheduled to officially reopen on September 22, 1986.

Under the agreement, DOES began screening and referring applicants on July 15 for 360 positions as housekeepers, stewards, engineers, food services workers, and bell and door attendants. On July 22, applicants were also screened to work exclusively in food and beverage positions. Interviews continued through July 25. Final selection, and hiring is done by hotel officials.

The Willard joins a growing list of major corporations which have used the public employment office in recent years to staff their new or expanding facilities.

PROFILE OF CITY--WIDE UNEMPLOYMENT



LABOR FORCE PROFILE: CITY-WIDE UNEMPLOYMENT 1983 TO 1985

During 1985, the District's unemployment rate averaged 8.4 percent, a decline of 0.6 percent from the 1984 average. The 1985 rate was the lowest annual rate registered since 1980 when the rate was 7.3 percent. It also represents a continuation of a rather steep two year, 3.3 percentage point, decline from the 1983 recession high of 11.7 percent -- a record high in the District. This decline seems to indicate that a significant proportion of the recession induced unemployment has been squeezed from the District's economy. The City has also recovered all the jobs lost as a result of Federal program and employment reductions between 1980 and 1983 (see the April 18, 1986 issue of the ALS for a profile of Federal employment).

This study uses the 1983, 1984, and 1985 Current Population Surveys (CPS) for the District of Columbia. The CPS is a monthly household survey conducted

by the Bureau of Labor Statistics to produce national unemployment rates on a monthly basis. The sample in the District is too small to produce statistically reliable data on a monthly schedule, but it is reliable for the estimation of annual averages.

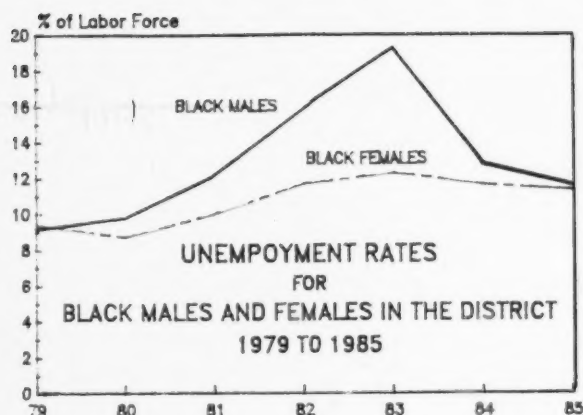
RACE

During 1985, an average 27,000 City residents were unemployed--2,000 fewer than in 1984 and 11,000 fewer than in the peak year of 1983. As has been the case in the recent past, black residents comprised virtually all (94 percent) of the unemployed. This heavy concentration of blacks among the unemployed is clearly disproportionate to the racial composition of the City's labor force, which is 68 percent black. Since 1983, black unemployment declined by 9,000 while non-black unemployment fell by 2,000. As a result, the black unemployment rate tumbled 4.4 percentage points as compared to the 3.3 percentage point reduction in the city-wide rate. Still, unemployment in 1985 among the District's black citizens remained in

double digits (11.4 percent).

SEX

In 1983, men accounted for 6 of every 10 of the unemployed. The improvement in the job market over the past two years reduced this to 1 of every 2. As a matter of fact, almost all the absolute reduction over the period can be attributed to males. There have been very dramatic changes in the unemployment rate for men. Their rate fell from 14.3 percent in 1983 to 8.4 percent last year. The picture for black men, of course, mirrored this decline, falling from nearly 20 to 11.5 percent in just two years. For women, this period produced only marginal changes-- a decline of just 0.6 percentage point for all women and one full percentage point for black women. Thus by 1985, the unemployment rate of both men and women (as well as for black men and women) was virtually the same-- about 8 percent for each sex city-wide and 11.4 percent for blacks of both sexes.



It should be noted, however, that an earlier study by LMIR (see the July 19, 1985 issue of the ALS) showed that the increase in District unemployment between 1979 and 1983 fell mostly on black men. In 1979, the black male and female unemployment rates nearly coincided at 9.2 percent and 9.4 percent, respectively. By 1983, the rate for black males jumped to 7 full percentage points above

PROFILE OF CITY-WIDE UNEMPLOYMENT: 1983-1985

	Unemployed			Unemployment Rate		
	1983	1984	1985	1983	1984	1985
TOTAL	38,000	29,000	27,000	11.7	9.0	8.4
Black.....	34,000	26,000	25,000	15.8	12.1	11.4
AGE:						
16-19.....	6,000	6,000	5,000	47.7	36.5	31.6
Black 16-19.....	6,000	5,000	5,000	52.4	40.5	34.8
20-24.....	11,500	8,000	7,000	24.3	17.6	19.4
25-34.....	10,700	10,000	8,000	9.9	9.7	7.5
35+.....	9,800	6,000	7,000	6.7	3.7	4.3
SEX:						
Males.....	23,100	15,000	14,000	14.3	9.2	8.4
Black Males.....	20,800	13,000	12,000	19.3	12.7	11.5
Females.....	14,900	14,000	14,000	9.1	8.8	8.5
Black Females....	13,400	12,000	12,000	12.3	11.6	11.3
MARITAL STATUS:						
Single.....	24,900	19,000	18,000	16.4	12.9	12.3
Married.....	6,800	4,000	4,000	6.5	4.4	3.8
Divorced, Separated.	6,300	5,000	5,000	9.2	7.5	7.6
Head of Household...	9,600	7,000	5,000	9.7	7.3	5.4

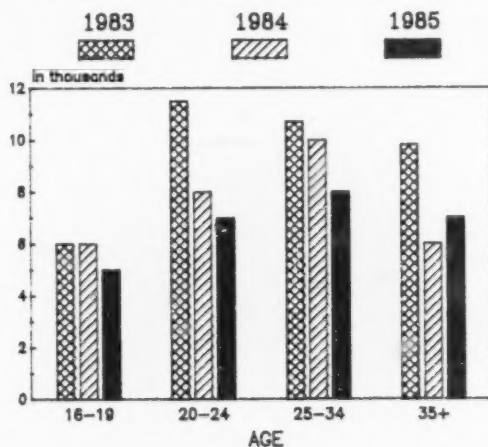
Source: Current Population Survey (CPS). Details may not add to total because of rounding. Table prepared by DOES/LMIR.

the black female rate. In 1985, the two rates almost converged again. Thus, both the earlier deterioration in the labor market and the recent improvements have been felt most strongly by black men (see chart).

AGE

Most (56 percent) of the District's unemployed during 1985 were in the prime working ages of age 20-34. This cohort is also the group that benefited the most by the improvement in the labor market over the past two years. In absolute numbers, joblessness among these prime workers declined by 7,200 since the peak 1983 unemployment. Thus as a group, they account for 66 percent of the decline among the unemployed. As a result, unemployment rates for 20-

THE UNEMPLOYED BY AGE



24 year old residents dropped 3.9 percentage points and that of the 25-34 year old group fell 2.4 points.

TEENAGERS

The largest decline in the unemployment rate was recorded by teenagers (16-19 year olds). This labor force cohorts registered a 16.1 percentage point plunge. In absolute numbers, however, the two year decline was a modest 1,000 individuals. [Thus obviously, the explanation for the large rate decline among teenagers rest in numbers other than for unemployment.] Between 1983 and 1985, the teenage population in the District actually increased by 3,300 while their labor force participation rate (the proportion of the population either working or actively looking for work) increased by 4.4 percentage points. Because of improvements in the local economy and government sponsored jobs and training programs, all of the increase in the teenage labor force was absorbed through employment. An other important indicator of the vastly improved labor market for teenager workers is the length of time they are unemployed. During 1983, the market for teenagers was so depressed that the mean duration of unemployment was 12.7 weeks. By 1985, this important measure dropped to just 5.2 weeks. As we shall see, this is the lowest duration for all age groups. Still, the youth unemployment rate for 1985 averaged

PROFILE OF TEENAGE UNEMPLOYMENT IN THE DISTRICT: 1983-1985

	1983	1984	1985
POPULATION 16-19.....	33,700	33,000	37,000
PARTICIPATION RATE.....	40.7%	45.2%	45.1%
LABOR FORCE.....	13,700	15,000	17,000
EMPLOYED.....	7,700	10,000	11,000
UNEMPLOYED.....	6,000	5,000	5,000
UNEMPLOYMENT RATE.....	47.7%	36.5%	31.6%
DURATION (WEEKS).....	12.7	9.6	5.2

31.6 percent or nearly four times the city-wide rate. However, even with that high rate, teenagers accounted for only 1 of every 5 jobless residents.

MARITAL STATUS

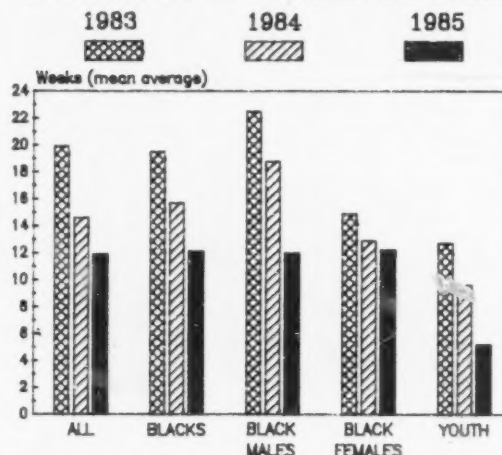
Unemployment traditionally is highest among single people and lowest among married persons living with their spouses. This labor force truism was demonstrated in the District throughout the three year period. In all three years, single people represented 2 out of every 3 of the jobless. This relationship held fast both when the overall rate peaked in 1983 at 11.7 percent and when it dropped to 8.4 in 1985. Still, the economic recovery over the past two years benefited primarily single person. Of the 11,000 decline in unemployment, 63 percent was accounted for by single persons. Like the black unemployment rate, however, the unemployment rate in 1985 for single persons still remained in double digits (12.3 percent). For married workers, the yearly rate was a very healthy 3.8 percent, a level indicating full employment. Relatively speaking, District heads of household also fared well during the recovery as their unemployment rate declined 4.3 percentage points--second only to the 4.9 point decline in the rate for single persons.

DURATION OF UNEMPLOYMENT

One of the key measures for determining the severity of unemployment is the length of time people remain unemployed. In 1983 at the peak of the recession, the mean average time spent in the unemployment lines by District residents was 19.9 weeks or about 4 3/4 months. For black men, the unemployment wait in 1983 was 22.5 weeks or 5 1/2 months. By

1985, the improvement in the local economy reduced the average duration for all workers to 11.9 weeks. Like other unemployment indicators, improvements

DURATION OF UNEMPLOYMENT



significantly benefited black men. Between 1983 and 1985, the job market improvement reduced their duration nearly 50 percent--from 22.5 weeks to 12.0 weeks, or a total reduction of 10.5 weeks. By contrast, the decline for black females was only 2.7 weeks, but their duration never reached the long

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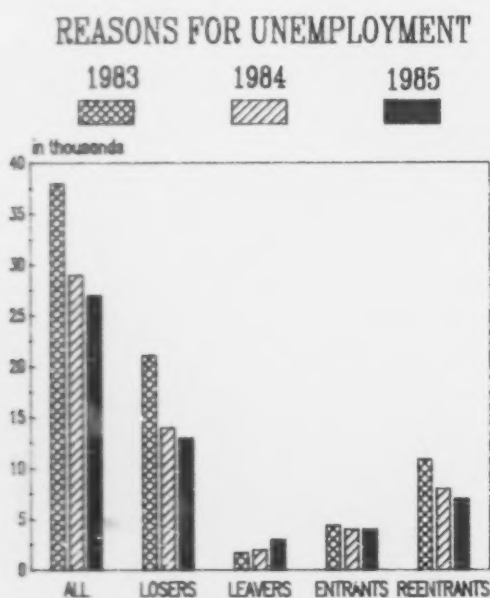
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Marion Barry Jr.,
Mayor

duration of black men. Similar to the unemployment rates, the average duration for both black men and women in 1985 almost coincided at 12 weeks.

REASONS FOR UNEMPLOYMENT AMONG DISTRICT RESIDENTS

Traditional labor market analysis classifies the causes of unemployment in four major reasons: people "lose" their jobs; people "leave" their jobs; others enter the labor market for the first time and still others start looking for work after an extended separation from the labor market (reentrants). When times are bad, most of the unemployed tend to be job losers, and people with a job tend to keep it. The District's labor market over the past three years followed expectations. In 1983, when



unemployment was at its peak, 55 percent of the unemployed were job losers. Job leavers in that year were both numerically (2,800) and relatively (4.5 percent of the unemployed) at the lowest level. Reflecting the improved employment prospective, by 1985 job

leavers constituted nearly three times more (11 percent) of the unemployed. Over this 3 year period, however, the most surprising statistic proved to be the number of reentrants who came back into the labor force when the market was at its worst condition in recent history. In 1983, nearly 11,000 people returned to the labor force when the prospects for finding work were the bleakest. Of almost equal surprise was the fact that these reentrants were evenly distributed by sex, and not mostly women as would have been predicted.

UNEMPLOYMENT AMONG FULL AND PART-TIME WORKERS

An additional measure of the severity of unemployment is joblessness among persons looking for full vs. part-time work. In 1983, 90 percent of all the unemployed in the City were full-time workers. Mirroring the improvements in the labor market, this measurement declined to 85 percent last year.

UNEMPLOYMENT: FULL-TIME & PART-TIME WORKERS

	1983	1984	1985
TOTAL UNEMPLOYED.....	38,000	29,000	27,000
FULL-TIME WORKERS.....	34,200	24,000	23,000
PART-TIME WORKERS....	3,800	3,000	4,000

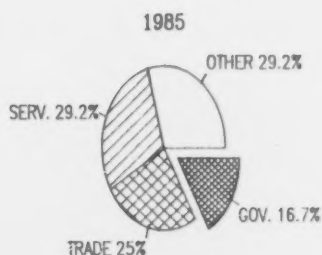
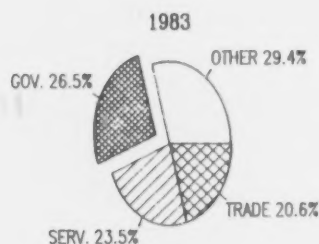
	UNEMPLOYMENT RATE		
FULL-TIME WORKERS....	11.6%	8.8%	7.9%
PART-TIME WORKERS....	12.3%	11.1%	13.8%

UNEMPLOYMENT OF EXPERIENCED WORKERS BY OCCUPATION AND INDUSTRY

For unemployed District residents with a previous attachment to a job (excludes new and reentrants to the labor force), the most improvement between 1983 and 1985 was recorded by administrative support workers secretaries, typists, and clerks. Over the two year period, their level of unemployment declined by 3,000 individuals, or about 27 percent of the total reduction in unemployment. Most occupational groups

(except professionals and sales workers), also showed improvement. Not surprisingly, four occupational groups (sales workers, administrative support workers, service workers, and laborers) made up the vast majority (about 60 to 70 percent) of all the experienced job seekers who lived in the District. This relationship remained constant both at the peak of unemployment (1983) and last year.

UNEMPLOYED BY INDUSTRY



Given the reductions in government employment in the early years of the decade (See, for example, the April 18, 1986 issue of the *ALS*), government workers produced the most pronounced reduction in the level of their unemployment. The number of unemployed government workers (combined Federal, State and Local) fell from 9,000 in 1983 to 4,000 in 1985. This decline accounted for 46 percent of the total 11,000 reduction in joblessness between 1983 and 1985. It probably also explains why administrative support workers showed the largest numerical improvement.

OBSERVATIONS

Between 1983 and 1985, the level of unemployment declined by nearly 30 percent. The profile indicates that the major beneficiaries of the decline were single black men between the ages of 20 and 35. This is the same group that earlier research had shown was most severely affected by the onset of high unemployment in the early 1980's. For women, their labor force status remained rather constant over the period, but they were not affected nearly as drastically by the growth of unemployment in earlier periods. Only government and administrative support workers made significantly large reductions in their levels of unemployment over the two years, although all occupational groups, except sales workers, showed improvements. Most importantly, 7,600 more District residents held jobs in 1985 than in 1983.

Underpinning this marked improvement in unemployment and employment was the addition of 32,000 new jobs over the rate in jobs of 2.7 percent. This represents a very healthy growth for the mature District economy. This growth is more than double the long term annual growth rate of 1.1 percent produced between 1956 and 1985.

In addition, the District Government allocates substantial resources for employment and training programs, both from local resources and federal. While these programs are not massive enough to change the direction of the unemployment rate, they can and do keep the rate from going higher than it would have without them and, on the down side of a cycle, they can push the rate lower than it would have gone. In the past, IMIR has estimated that employment and training programs have a 1.0 to 1.5 percentage point impact on the rate.

Lastly, remarkable suburban job growth (173,900 new jobs between 1983 and

1985) has produced very low suburban unemployment indicating significant labor shortages. With real entry level wages increasing in the suburbs and some extension of the transportation system, these "far away" jobs become more attractive to District workers. Further, recent policies, co-operation and programs support by the local governments in the area have probably made suburban work more available to District residents. Recently, the Department announced that it had assisted 2,271 residents in obtaining suburban work. The actual number of persons finding suburban employment is likely to be many times higher.

At 8.4 percent unemployment, the District is probably beginning to make progress in attacking long term structural problems in its labor market. Through the first half of this year, the positive trends have continued. Unemployment has averaged 7.0 percent-- 1.4 percentage points lower than the 1985 average. The City's economy has added 19,000 more jobs since January -- a 3.0 percent growth. There are 9,600 more residents working then in the first month of the year -- a 3.3 percent change. Thus, all indicators are pointing to a better year than in 1985. If the unemployment averages 7.0 percent for the whole year, this will mean that the District's economy will produce the lowest unemployment rate since 1974, when the rate was a near 6.0 percent. A good Fall showing in the Retail Trade sector could make the difference.

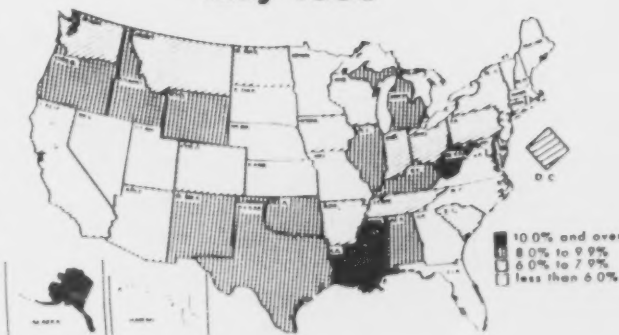
UNEMPLOYMENT RATES IN THE STATES, METROPOLITAN AREAS, AND SELECTED CITIES

In May, 1986, the Bureau of Labor Statistics ranked 235 Metropolitan Statistical Areas (MSAs) by preliminary unemployment rates. The Washington Area's rate at 3.1 percent was down from the 3.3 percent recorded in April. This

was the sixth lowest rate of the areas reporting. This was the third time the Washington Area's rate has been below 3.7 percent in three and a half years.

Comparing the Washington Area with other large metropolitan areas nationwide, for the first time in several months, the Washington Area's rate at 3.1 percent was lower than the Boston Area's rate at 3.6 percent. The two had tied for the lowest rate among metropolitan areas in March and April at 3.5 percent and 3.3 percent, respectively. The Baltimore Area, only 35 miles north of Washington D.C., had a 4.3 percent unemployment rate down from 4.7 percent recorded in April. The Richmond-Petersburg Area 110 miles south of Washington, D.C., had a May jobless rate of 4.4 percent --down from 4.6 percent from the previous month. The Baltimore area ranked 194 and the Richmond-Petersburg Area ranked 193 among the areas reporting.

Unemployment Rates by State, May 1986



When the District of Columbia (with a May preliminary rate of 6.7 percent) was ranked with the fifty states, the District had the 23rd highest jobless rate in the country. This was down six positions from the 29th spot it held in April. Virginia's rate at 4.9 percent was down from 5.2 percent in April. Maryland's rate was also down from 4.0

percent to 3.7 percent. Virginia and Maryland ranked 43rd and 48th, respectively, among the fifty-one jurisdictions. Four states, Louisiana (13.0 percent), Mississippi (11.5 percent), Alaska (10.7 percent), and West Virginia (10.4 percent) registered double digit unemployment rates.

Louisiana posted the highest jobless rate for the fifth consecutive month. Twenty-one states reported unemployment rates below 6 percent, the lowest rate was in New Hampshire (3.2 percent).

Of the states reporting over-the-year decreases in unemployment rates, only seven plus the District of Columbia, had declines of 1.0 percentage point or more. The largest decline--2.1 percentage points--was in Nevada. Unemployment rates increased by 1.0 percentage point or more over the year in eight states. Texas experienced the largest increase--2.7 percentage points.

UNEMPLOYMENT IN SELECTED CITIES

In comparison with twenty-three selected central cities, (Detroit, Michigan unavailable), the District of Columbia had the nineteenth highest jobless rate at 6.7 percent. This position was up one notch from April when the District had the eighteenth highest rate. The average unemployment rate for all 24 selected cities was 8.4 percent. Of the 24 cities, 15 posted lower jobless rates, 8 recorded higher rates, and one (Columbus, Ohio) remained unchanged at 6.2 percent.

Gary, Indiana continues to have the highest rate of joblessness at 17.0 percent, up from 16.8 percent recorded in April. On the other hand, Boston, Massachusetts continues to have the lowest rate, as it has had, for eleven consecutive months, at 4.9 percent. The District of Columbia also posted the largest over the year decline--1.5

percentage points. This was followed by Gary, Indiana with a drop of 1.4 percentage points. Of the eight central cities recording over-the-year increases, Houston, Texas had the largest increase of 3.5 percentage points. Dallas, Texas had the second largest increase in its jobless rate of 1.7 percentage points. The remaining six cities increases were all below 1 percent.

Unemployment Rates in Selected Cities*

City	May	
	1986	1985
1. Gary, IN	17.0	18.4
2. Houston, TX	11.6	8.1
3. Buffalo, NY	11.2	10.9
4. Newark, NJ	10.7	9.9
5. New Orleans, LA	10.6	11.5
6. Cleveland, OH	10.4	11.0
7. Birmingham, AL	9.1	8.8
8. Chicago, IL	8.9	10.2
9. Dayton, OH	8.9	9.2
10. Cincinnati, OH	8.3	8.2
11. Pittsburgh, PA	7.9	8.8
12. New York, NY	7.9	8.4
13. Miami, FL	7.6	7.8
14. St. Louis, MO	7.5	8.4
15. Milwaukee, WI	7.2	6.8
16. Philadelphia, PA	7.0	8.1
17. Los Angeles, CA	6.8	7.9
18. Dallas, TX	6.8	5.1
19. DIST. OF COLUMBIA	6.7	8.2
20. Atlanta, GA	6.4	7.5
21. Columbus, OH	6.2	6.2
22. Baltimore, MD	5.9	6.7
23. Salt Lake City, UT	5.9	6.0
24. Boston, MA	4.9	4.0

* Preliminary unemployment rates.

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SELECTED UNEMPLOYMENT INSURANCE BENEFIT STATISTICS
(REGULAR PROGRAMS)
DISTRICT OF COLUMBIA
June 1986

	June 1986	May 1986	June 1985	% Change From May 1986	June 1985
<u>STATE UI PROGRAM a/</u>					
Initial Claims Taken	3,137	2,784	2,825	+ 12.7	+ 11.0
Weeks of Unemployment Claimed	34,904	33,700	30,079	+ 3.6	+ 16.0
Weeks of Unemployment Compensated	34,091	32,804	28,219	+ 3.9	+ 20.8
Total Benefits Paid	\$5,517,476	\$5,257,610	\$3,996,397	+ 4.9	+ 38.1
Average Weekly Benefit Payment	\$161.85	\$160.27	\$141.62	+ 1.0	+ 14.3
Number of First Payments	1,596	1,609	1,424	- 0.8	+ 12.1
Number of Final Payments	912	849	858	+ 7.4	+ 6.3
Total Beneficiaries	9,440	9,467	8,338	- 0.3	+ 13.2
<u>FEDERAL PROGRAM b/</u>					
Initial Claims Taken	175	140	154	+ 25.0	+ 13.6
Weeks of Unemployment Claimed	2,747	2,611	2,772	+ 5.2	- 0.9
Weeks of Unemployment Compensated	2,887	2,643	2,824	+ 9.2	+ 2.2
Total Benefits Paid	\$555,691	\$494,682	\$496,305	+ 12.3	+ 12.0
Average Weekly Benefit Payment	\$192.48	\$187.17	\$175.75	+ 2.8	+ 9.5
Number of First Payments	125	145	133	- 13.8	- 6.0
Number of Final Payments	57	61	84	- 6.6	- 32.1
Total Beneficiaries	761	761	825	0.0	- 7.8
<u>EX-SERVICEPERSONS PROGRAM c/</u>					
Initial Claims Taken	56	59	52	- 5.1	+ 7.7
Weeks of Unemployment Claimed	606	622	587	- 2.6	+ 3.2
Weeks of Unemployment Compensated	464	478	435	- 2.9	+ 6.7
Total Benefits Paid	\$ 85,591	\$ 86,993	\$ 72,645	- 1.6	+ 17.8
Average Weekly Benefit Payment	\$184.46	\$181.99	\$167.00	+ 1.4	+ 10.5
Number of First Payments	49	46	39	+ 6.5	+ 25.6
Number of Final Payments	21	31	26	- 32.3	- 19.2
Total Beneficiaries	153	151	136	+ 1.3	+ 12.5
<u>TOTAL—ALL PROGRAMS</u>					
Initial Claims Taken	3,368	2,983	3,031	+ 12.9	+ 11.1
Weeks of Unemployment Claimed	38,257	36,933	33,438	+ 3.6	+ 14.4
Weeks of Unemployment Compensated	37,442	35,925	31,478	+ 4.2	+ 18.9
Total Benefits Paid	\$6,158,758	\$5,839,285	\$4,565,347	+ 5.5	+ 34.9
Average Weekly Benefit Payment	\$164.49	\$162.54	\$145.03	+ 1.2	+ 13.4
Number of First Payments	1,770	1,800	1,596	+ 1.7	+ 10.9
Number of Final Payments	990	941	968	+ 5.2	+ 2.3
Total Beneficiaries	10,354	11,320	9,299	- 8.5	+ 11.3

a/ Includes joint claims with Unemployment Compensation for Federal Employees (UCFE), and/or Unemployment Compensation for Ex-Servicepersons (UCX).

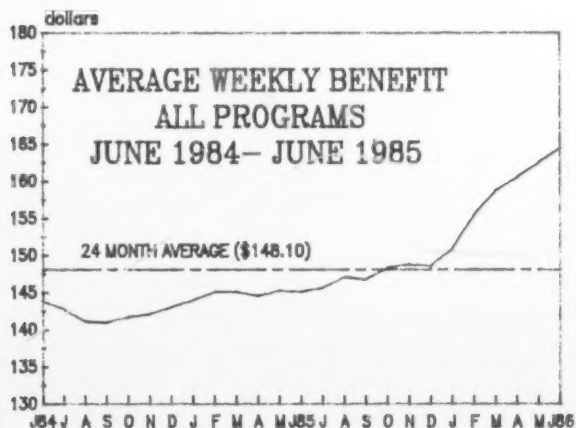
b/ Includes joint claims with Unemployment Compensation for Ex-Servicepersons (UCX).

c/ No joint claims.

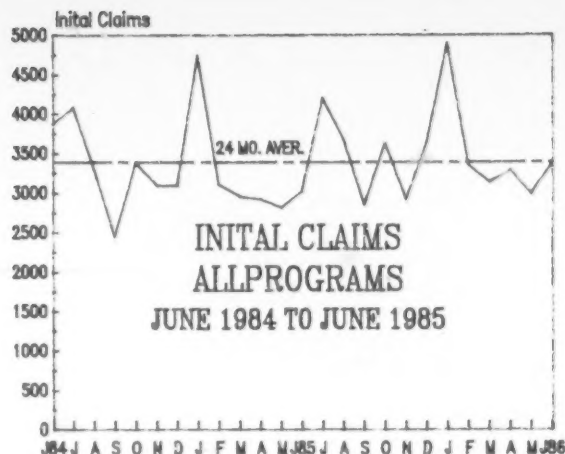


UNEMPLOYMENT INSURANCE ACTIVITIES

The outlay by the District of Columbia for unemployment compensation from all program sources in June, 1986 was \$6.15 million--up five percent from last month and 35 percent from June, 1985. All other measures of activity, except the number of beneficiaries currently in the system, followed the same upward trend.



The average weekly benefit amount is one of the most volatile measures, and has been increasing, as expected, since January, when the maximum weekly benefit amount changed from \$206 to \$250. The current weekly average benefit is \$164.50, compared to \$145.00 last June, and \$150.80 in January when the upward creep began to take effect. The January-June increase has averaged \$2.30 per month. As also expected, the trend of the monthly change is a decreasing one, and the average amount is expected to stabilize by or before the end of the year. Although there has been an increase in the number of weeks compensated from June of last year to the current month, the rise in the average weekly benefit amount has been the primary contributing factor to the increase in the total benefit outlay.



The second quarter 1986 benefit measures were all below the first quarter levels except the total outlay and the average weekly benefit amount. Idle weeks compensated dropped three percent, and initial claims decreased 15 percent. The total outlay in the second quarter amounted to \$18.5 million, a 2 percent rise. On the other hand, the half-year measures (January-June) in 1986 eclipsed those for the same period in last year. Initial claims in 1986 stand at 21,020 compared to 19,550 in 1985; and weeks actually compensated are six percent above last year. The \$36.7 million benefit outlay is \$5.2 million above the 1985 half-year level. It is estimated that the increase in the maximum weekly benefit amount, with the resultant \$14.00 increase in the average weekly payout, increased the total outlay to date by \$3.2 million.

HOURS AND EARNINGS IN MANUFACTURING

Total Manufacturing Average Weekly Earnings in the Metropolitan Area for the month of June, 1986 increased \$14.05. Average Weekly Hours were up 0.7 hours. Average Hourly Earnings increased 18¢ an hour.

The largest increase occurred in Food and Kindred Products. Weekly Earnings

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were up \$36.21, as Weekly Hours increased 1.8 hours. Hourly Earnings increased 39¢ an hour. The increase was due to overtime being worked.

Printing and Publishing showed an increase of \$5.73 in Weekly Earnings, and 1.3 in the Weekly Hours. However, Average Hourly Earnings were down 30¢ an hour. The decrease was due to less overtime being worked.

STAFF ECONOMIST LEAVES

Lawrence Thurston, Senior Labor Economist, has taken a new position as an economist with the Office of the People's Counsel. Mr. Thurston has been a valuable member of the LMIR staff for more than 10 years and has been managing the Local Area Unemployment Statistics and Current Employment Statistics Programs which produce the employment and unemployment estimates, as well as the place of work employment statistics published in the Area Labor Summary.

EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING WASHINGTON METROPOLITAN AREA June 1986

	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVERAGE HOURLY EARNINGS		
	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985	June 1986	May 1986	June 1985
TOTAL MANUFACTURING	398.97	384.92	398.32	39.0	38.3	38.3	10.23	10.05	10.40
Durable Goods	379.73	364.37	368.26	41.5	41.5	41.1	9.15	8.78	8.96
Stone, Clay & Glass Products	456.97	447.80	408.78	47.7	46.5	46.4	9.58 ^{h/}	9.63 ^{d/}	8.81 ^{a/}
Electric Machinery, Equipment & Supplies	398.12	394.13	384.29	40.5	41.4	41.5	9.83 ^{a/}	9.52 ^{e/}	9.26 ^{a/}
Other Durable Goods	342.59	316.39	342.91	40.4	40.1	39.1	8.48 ^{c/}	7.89 ^{e/}	8.77 ^{b/}
Non-durable Goods	415.78	403.13	424.59	36.6	35.3	35.8	11.36	11.42	11.86
Food & Kindred Products	475.78	439.57	585.86	40.7	38.9	37.7	11.69 ^{a/}	11.30 ^{a/ j/}	15.54 ^{k/}
Printing & Publishing	428.57	422.84	428.62	35.1	33.8	34.4	12.21	12.51 ^{b/}	12.46 ^{b/}
Other Non-Durable Goods	326.03	316.40	301.84	40.4	39.5	40.9	8.07 ^{h/}	8.01 ^{f/}	7.38 ^{b/}

Total Production Workers

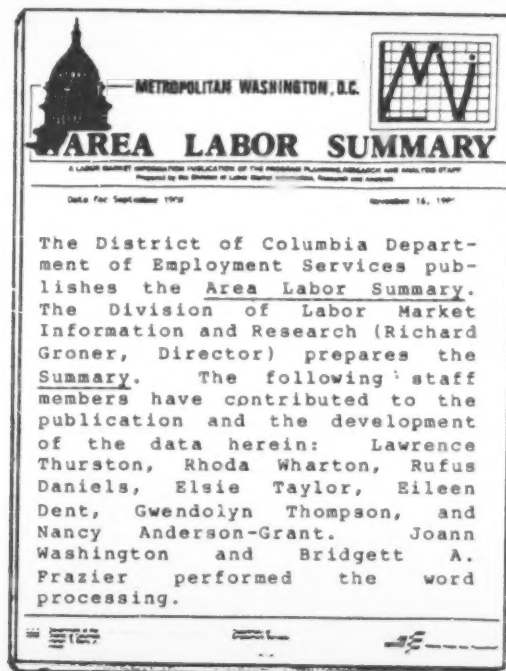
June '86
37,700

May '86
37,400

June '85
36,300

- a/ Overtime.
b/ Less overtime.
c/ Pay increase.
d/ Longer work week.
e/ Less business other than seasonal.
f/ Increase in proportion of lower paid employees.
g/ Increase in proportion of higher paid employees.
h/ More business other than seasonal.
i/ Data not comparable to previous year due to work occurring in data.
k/ Data not comparable to current year.

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achievement **R** Rewards • respect • resourcefulness
results **T** Training • transition

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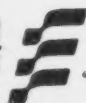
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